Directs that the Rates of Leave and Pensionary Con tions payable by Municipalities in respect of Executive Officers and Assessing Officers be incorporated in the Mysore Services Regulations.

READ—

Letter No. 984/P A.C.—Cl., dated the 5th October 1953, from the Accountant General, Mysore Bangalore, stating that according to paragraph 7 of the Government Order No. L. 395-405—Ml.10-52 1, dated 5th April 1952, contribution for leave allowances and pension is payable by the Municipalities on behalf of Executive Officers at ¼ of the pay actually dra n by the latter in view of the fact that the posts have been created permanently and the officers are appointed on quasi-permanent basis enti ling them to draw pension on pay drawn as Executive Officers and that in the case of Assessing Officers, contribution for leave and pension is payable at ¼ of the substantive pay or the salary that counts for pension of the post under Government on which they hold their permanent lien as these posts of Assessing Officers are not sanctioned on a permanent basis.

ORDER No. FL. (B) 15468-668—C. R. 39-53-2, DATE[redacted]ANGALORE, THE 5TH FEBRUARY 1954.

In accepting the rates of contribution for leave allowances and pensions payable by Municipalities in respect of Executive Officers and Assessing Officers respectively, as set out in the letter of the Accountant General, Mysore, read above, Government direct that these rates of leave and pensionary contributions be incorporated in the Mysore Services Regulations.

2. Necessary amendment and correction slip to the Mysore Services Regulations will be issued separately.

N. MADHAVA RAO,
Secretary to Government,
Finance Department.

Passes orders on the Report of the Sales-Tax Committee, 1954.

READ—

Government Order No. Fl. 8383-91—S.T. 153-52-2, dated the 24th February 1953, constituting a Committee with the following personnel to investigate the defects in the working of the Sales-Tax Act and to suggest remedial measures:—

Personnel of the Committee.

Chairman.

The Minister for Revenue and Public Works.

Members.

(1) The President, Mysore Chamber of Commerce, Bangalore.
(2) Sri B. V. Narayana Reddy, B.A. (Hons.), Manager, Bank of Mysore, Ltd., Bangalore.
(3) Sri A. Bheemappa Naik, B.A., M.L.A., Advocate, Chitaldrug.
(4) Sri B. P. Nagarja Murthy, B.A., LL.B., M.L.A., Advocate, Mandya.
(5) Sri P. Sitaramiah, B.A., B.L. M.L.C., Advocate and Municipal Councillor, Mysore.
(6) Sri V. M. Mascarenhas, B.A., M.L.A., P.B. No. 46, Mysore Road, Bangalore.
(7) The Secretary to Government, Finance Department.
(8) The Commissioner of Sales-Tax in Mysore.

Secretary.

The Assistant Secretary to Government in the Finance Department.

2. Letter No. S.T.C. 169, dated the 20th January 1954, from the Secretary, Mysore Sales-Tax Committee, submitting the Report of the Committee for orders of Government.

ORDER NO. FL. 7278-81—S. T. 120-53-2, DATED BANGALORE, THE 2ND MARCH 1954.

In response to the repeated representations to Government from several trade associations, merchants and others about the hardship caused by the working of the Sales-Tax Act, a Committee was constituted for suggesting remedial measures in accordance with the terms of reference indicated below :—

(1) To examine the working of the Sales Tax Act and suggest remedies for defects, drawbacks and hardships, if any ;

(2) To suggest further, alternative sources of income (except the abolition of prohibition, which is a matter of high policy) which may facilitate the repealing of the present Sales-Tax Act.

2. After examining the several aspects of the terms of reference, the Committee has ruled out the feasibility of finding out alternative sources of income mentioned in the second term of reference, for the following reasons :—

(i) Sales-tax has come to stay as a substantial source of revenue to the State. In suggesting alternative sources of revenue, the total amount of revenue realisable from any other source or sources should at least be equal to that realised at present from sales-tax. Any suggestion for realising so much of revenue would result in levy of other kinds of tax which is bound to be resented by the public. The Sales-Tax Act has been worked for a number of years. The merchants and the people know its implications. It would be sufficient if the drawbacks in the Act are removed.

(ii) Further, the Government of India have set up a Taxation Enquiry Commission to go into the question of the tax structure of the States including the levy of tax by the Local Bodies. It is in the fitness of things that the deliberations of that body are awaited and in the meanwhile only the modification of the existing Act is considered.

3. The Committee, therefore, decided to concentrate its deliberations on the first term of reference and has accordingly made recommendations for removing the defects, drawbacks and hardships in the administration of the existing Sales-Tax Act.

4. The main recommendations of the Committee, briefly are :—

(1) Bringing a large number of commodities under the single point system of taxation.

(2) Introducing a slab system for all the commodities coming under the multi-point system.

(3) Enlarging the list of exempted articles.

(4) Constituting a Sales-Tax Tribunal.

(5) Constituting a Sales-Tax Advisory Body.

5. Government have carefully considered the recommendations of the Committee and accepted them with certain modifications. As the implementation of the recommendations as modified by Government necessitates an amendment of the existing Sales-Tax Act, a draft Amending Bill will be placed at the present Budget Session of the Legislature.

6. The recommendation of the Committee for the constitution of a Sales-Tax Tribunal for the State will be considered separately.

7. Government wish to place on record their appreciation of the services rendered by the Chairman and the members of the Committee in examining the complex problems connected with the levy of sales tax and offering valuable suggestions.

N. MADHAVA RAO,
Secretary to Government,
Finance Department.